

FACTUAL DATA AND ANALYSIS – AFTER THE ACQUISITION

2. Unique Features of the HCC Katy Campus

The HCC Katy Campus and its development is unique among other campuses and locations in the Houston Community College System (HCCS). In 2017, following its purchase from Parkside of the 46-acre tract on the old Westside Mall property within Grand Circle Boulevard, the University of Houston approached HCC to co-locate campuses in West Houston. The co-location and partnership with the UH-Katy campus was the major driving force behind the development of the HCC Katy Campus.

The unique curriculum and programming at the HCC Katy Campus include a partnership with UH Katy for the creation of workforce and comprehensive baccalaureate programs not available at other HCC campuses. The HCC Katy Campus and UH Katy are partners to a memorandum of understanding offering four-year engineering bachelor's degrees – participants are dual enrolled at HCC and UH. Specifically, the HCC Katy Campus/UH Katy partnership focuses on engineering, nursing, and workforce-directed programming, and includes a computer science focus. Features of this partnership include, direct pathways from HCC to UH, an opportunity to provide an enhanced engineering pathway to UH, and creation of a joint engineering environment with UH. HCC cited partnership models such as those between Blinn College and Texas A&M University, Wharton County Junior College and the University of Houston Sugar Land, and an existing partnership the University of Texas Tyler as justification for its co-location and partnership with UH Katy. According to local reporting, Partnerships with companies such as NASA and Amazon are working to employ HCC-Katy graduates, and the economic impact of the new campus is expected to be large.

As of the date of this report, HCC has expended \$55 million to purchase the site and develop the 140,000-square-foot facility accommodating 3,000 students. The HCC Katy Campus site has been designed for the potential addition of up to three additional buildings and a parking garage, at a projected additional cost of \$95 million, accommodating up to approximately 7,000 students. HCC cited superior population growth rates/projections in far West Houston among all other HCC campus locations as additional justification for its development of the HCC Katy Campus. The greenfield campus development and specific academic partnerships of the HCC Katy Campus are unique and not comparable to other HCC campuses and locations. We consider this major investment within the subject submarket and the unique nature of the HCC Katy Campus, in partnership with the University of Houston, positively impacts the market area in which the Westside Ventures properties are located.

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DEFENDANT'S
EXHIBIT
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